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SOURCE Krantung, Jih-pao.

KWANTUNG AGRICULTURAL INCOME TAX LAW AND COMPUTATION FORMULAS

AGRICULTURAL INCOME TAX REGULATIONS -- Kwantung Jih-pao, 4 Oct 48

1. This tax applies to income derived from all produce of agricultural lands, orchards and gardens, and from animal husbandry.
2. The following types of land are exempt from taxation: land used for the cultivation of textile raw materials, such as cotton and hemp, newly-opened land which has been cultivated not more than 4 years or former waste-land cultivated not more than 2 years, residential and grave land and land used for communications; public clay pits or stone quarries, newly started orchards, pastures, government-operated agricultural experiment stations, animal breeding stations, nurseries and seed plots.

On approval of the local authorities, tax exemption or reductions may be granted to indigent widows, orphans, and the physically incapacitated, to indigent dependents or survivors of soldiers and police, and to those who have made special contributions to the people or gained special merit.

3. Land classifications and standards of production are fixed as follows: Class A, 180 kilograms per acre; Class B, 360; Class C, 570; Class D, 750; Class E, 900; and Class F, 1,110.

4. The agricultural income tax is based on land classifications, standards of production and average individual income, according to a progressive rate.

Individuals whose average income per year is 90-850 kilograms will be assessed according to the tax schedule. Those whose income is above 850 kilograms will pay a surtax of 0.3 percent for every additional 5 kilograms, to a maximum of 965 kilograms, after which there will be no extra assessment.

Those who pay rent in kind will be assessed an additional 50 percent for that produce paid as rent. Those with one of the following qualifications, however, will be assessed only according to the original tax amount: widows, orphans, the physically incapacitated, individuals whose income is less than

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200 kilograms and are certified by the ch'u and hsien governments, and individuals whose annual income from rent in kind does not exceed 125 kilograms.

5. Land farmed by the owner shall be allowed a deduction of 10 percent from the tax amount for farm expenses. There will be no deduction for those holding rented land, land managed by persons other than the owner, or public land.

Farmers who possess domestic animals may deduct annually 75 kilograms of the total food production per head of cattle and donkeys, and 150 kilograms per head of mules and horses. If they are not farm animals, such feed expenses may not be deducted.

6. The individual will be the unit in computing the tax and the family the unit in collecting it. Members of a family include all in a household who are recorded as such in the census registers as of the publication date of these regulations, dependents who have been supported by the taxpayer for at least 6 months before publication of the regulations, students supported by their families, long-term employees, and all persons who have been supported by a family for 6 months.

7. Those in one of the following categories will be considered as individuals: those who have entrusted their land to others to manage or cultivate; temples, churches, etc., which rent out their lands (Those which cultivate the land themselves, however, will be considered as independent farmers); absentee owners who rent out their land, but return to collect rents; (in the case of those who do not return, rents, after the deduction of taxes, will be taken into custody by the government, acting as agent for the owner.)

8. Publicly owned cultivated land and land cultivated by owners shall be reckoned as follows: organizations, groups and schools cultivating less than 3.3 acres of public land will be considered as individuals, 3.3-6.6 acres as two individuals; 6.6-9.9 acres as three individuals; etc. Tenants, after deducting rent in kind from their standard production, will be counted according to the number of persons.

9. Land of persons living in one hsien (or city) and owning land in another, or owning land in both the hsien of residence and also in another hsien, shall all be reported to the hsien of residence for unified computation of tax. At collection time, however, taxes may be paid separately to the governments of the hsien or cities where the land is located. The same procedure will be followed in regard to ch'us.

Each ch'u and village will organize an evaluating committee to pass on matters of tax exemption and reduction.

Whole rice will be the standard and the city the unit for computing taxes.

1948 AGRICULTURAL INCOME TAX-COMPUTATION TABLES -- Kwantung Jih-pao, 28 Sep 48

The following data used by the Chin Hsien government is published as an aid in computing taxes.

A. Independent Farmers Tax-Computation Table

1. Gross production minus farm and livestock expenses equals net production.

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2. Net production divided by the number of taxable individuals equals the average production per individual (to obtain tax rate).
3. Net production multiplied by the tax rate equals the amount payable.
4. Amount payable minus 10 percent equals the actual tax.

B. Tenant Farmers

1. Gross production minus rent and expenses equals net production.
2. Net production divided by the number of taxable individuals equals average production per individual (to obtain tax rate).
3. Net production multiplied by the tax rate equals the amount payable.
4. Amount payable minus 10 percent equals actual tax.

C. Landlords

1. Gross rent payments received, divided by the number of taxable individuals, equals the average production for each individual (to obtain tax rate).
2. Gross rent payments received multiplied by the tax rate plus 50 percent equals actual tax.

D. Independent Farmers Who Are Also Tenant Farmers

1. Independent production plus tenant production minus rent payments and farm livestock expenses equal total net production.
2. Total net production divided by the number of taxable individuals equals average production per individual (to obtain tax rate).
3. Total net production multiplied by the tax rate equals amount payable.
4. Amount payable minus 10 percent equals actual tax.

E. Independent Farmers Who Are Also Landlords

1. Independent production minus farm and livestock expenses plus rent payments received equals gross profit.
2. Gross profit divided by the number of taxable individuals equals average production per individual (to obtain tax rate).
3. Independent production minus farming expenses equals net production. Net production multiplied by the tax rate equals the amount payable for the independent portion.
4. The amount payable for the independent portion minus 10 percent equals the actual tax for the independent portion.
5. Rent payments received multiplied by the tax rate equals the amount payable. Amount payable plus 50 percent equals the actual tax for rented portion.
6. Actual tax for independent portion plus actual tax for rented portion equals total actual tax.

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F. Independent Farmers Who Are Also Landlords and Tenants

1. Independent production plus production of rented land minus rent paid out and farm livestock expenses plus rent payments received equals gross profit.
2. Gross profit divided by the number of taxable individuals equals average production per individual (to obtain tax rate).
3. Independent production and production of rented land multiplied by the tax rate equals amount payable for independent farming and rented land portion.
4. Amount payable for independent and rented land portion minus 10 percent equals actual tax for the portion.
5. Rent payments received multiplied by the tax rate plus 50 percent equals the actual tax for rent payments received portion.
6. Actual tax for independent and rented land portion plus actual tax for rent payments received portion equals total actual tax.

G. Organizations and Groups

1. Total land area in mou [one mou equals 1/6 acre] divided by 20 mou equals number of taxable individuals in organizations and groups owning land.
2. Gross production divided by the number of taxable individuals equals average production per individual (to obtain tax rate).
3. Gross production multiplied by the tax rate equals actual tax.

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